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News Release

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Canada's New Government Supports the OECD Revised Aircraft Sales Financing Agreement

The Honourable Jim Flaherty, Minister of Finance, and the Honourable David Emerson, Minister of International Trade, today announced Canada's participation in the revised Aircraft Sector Understanding (ASU), an agreement that creates a level playing field for Canada's aerospace industry as it competes internationally.

The ASU is an agreement developed within the Organisation for Economic Co-operation and Development (OECD). It is an annex to the Arrangement on Officially Supported Export Credits, which sets out rules for government-supported sales financing for the export of aircraft and other aircraft-related parts and services.

"The revised ASU will provide Canadian aerospace firms with a level playing field by bringing transparency, accountability and predictability to the financing of aircraft sales by all governments," said Minister Flaherty.

A formal review of the aging rules was launched in 2005 by OECD member countries and Brazil, which was invited to join the negotiations given its significant aerospace sector and associated government financing support.

"Canada is a world leader in the aerospace sector," said Minister Emerson. "With this agreement in place, Canadian aircraft manufacturers will be in an even stronger competitive position, so they can continue building on their global success."

The revised ASU achieves a number of key objectives that will benefit Canada's aerospace industry, including:

- the creation of a level playing field in aircraft sales financing support;
- the provision of predictable and competitive sales financing terms to Canadian manufacturers;

- significantly reduced risk of trade disputes; and
- improved commercial relations with other countries, especially Brazil.

Today's announcement is consistent with *Advantage Canada*, the Government's long-term economic plan, which commits to pursuing commercial agreements that give Canadian firms better access to foreign markets and reinforces stronger international trade through the Global Commerce Strategy.

The Government of Quebec and Bombardier, Canada's major aerospace company, have been active stakeholders throughout the ASU review process and have endorsed Canada's participation in this agreement.

"Canadian aircraft manufacturers have the ambition and expertise necessary to excel on the world stage. Now they have a fair and transparent market that doesn't rely on last-minute guarantees financed by taxpayer dollars," said Minister Flaherty.

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